



**U.S. Department of Justice**  
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*Western District of New York*

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# **PRESS RELEASE**

August 22, 2005

**RE: UNITED STATES v. VIOLETTE GAIL ELDRIDGE, MELVIN RAY  
LYTTLE, PAUL E. KNIGHT, AND JOHN L. MONTANA, JR.**

Acting United States Attorney Kathleen M. Mehlretter announced today a 14 count Indictment, charging Violette Gail Eldridge of Woodstock Georgia, Melvin Ray Lyttle of Laurenceburg, Indiana, Paul E. Knight of Kodak, Tennessee and John L. Montana of Staten Island, New York with Conspiracy, Mail Fraud and Wire Fraud in violation of Title 18, United States Code, Sections 371, 1341 and 1343. Additionally, Eldridge, Lyttle and Knight were charged with Conspiracy to commit Money Laundering and Money Laundering in promotion of a criminal scheme. All charges carry a maximum penalty of 245 years imprisonment, a fine of \$4,300,000.00, or both. It should be noted that the fact that the defendants have been charged with various crimes is merely an accusation and the defendants are presumed innocent until and unless proven guilty.

Acting U.S. Attorney Kathleen M. Mehlretter stated that the Indictment charges the defendants with promoting a fraudulent high yield investment scheme under two

separate companies which each required a minimum one million dollar investment and promised up to 30% per week as the expected rate of return. Investors throughout the United States invested over \$30 million into the high yield investment programs and suffered losses in excess of \$10 million.

The Indictment was the culmination of an investigation on the part of the Federal Bureau of Investigation, under the direction of Special Agent in Charge Peter Ahearn and the Criminal Division of the Internal Revenue Service, under the direction of Special Agent in Charge Anne Marie Coons.

The evidence was presented to the Grand Jury by William H. Bowne, Department of Justice, Fraud Section, Trial Attorney, and Richard A. Resnick, Assistant United States Attorney, who will both handle the trial of the case.

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